

2014 Lead Nurturing Benchmarking Study

A look at strategies and best practices for engaging prospects at all stages of the sales funnel

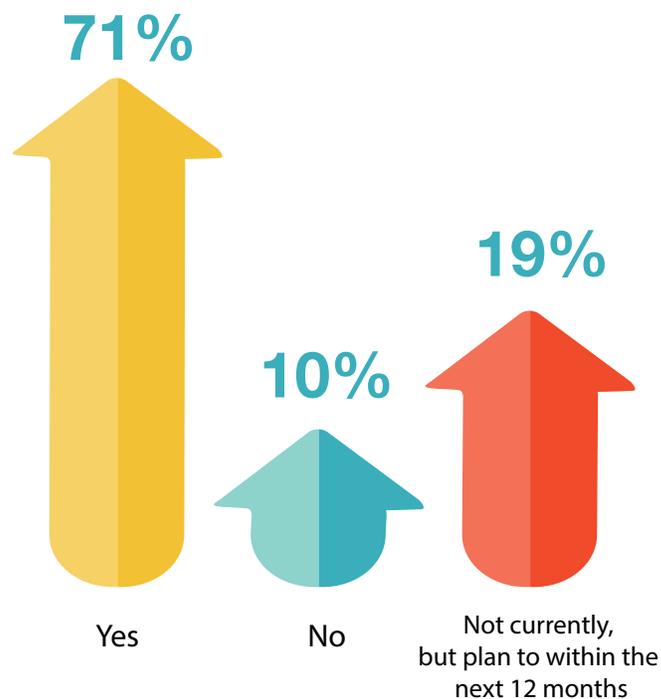


Lead Nurturing Pro Tips

Many B2B marketers now have several years of experience in developing lead nurturing campaigns, and they have seen improved campaign response and the ability to deliver more qualified leads to the sales team, among other benefits. Those who have had lead nurturing campaigns as part of their overall marketing mix for some time are now implementing more sophisticated campaigns for even more positive results.

Those were among the key findings of *Demand Gen Report's Lead Nurturing Benchmarking Study*, our inaugural look at the strategies and best practices for B2B marketers to engage prospects throughout the sales cycle. We surveyed 239 B2B marketers across a number of industries, including technology, telecom, manufacturing and professional services.

› Are you currently using lead nurturing as part of your demand generation initiatives?



When it comes to the types of lead nurturing programs that respondents are using, clearly drip-type campaigns have fallen out of favor, with only 8% describing their nurture campaigns as sending pre-set, pre-determined campaigns to the entire database at once. In addition, only 10% take the approach of sending all respondents the same series of messaging without taking their buying signals into account.

Lead Nurturing Pro

TIP

"If you wait until all content for your lead nurture campaign is finalized, the first assets may be dated before you even send the first email."

—Missy Heilman, BlueBird Strategies

Lead Nurturing Pro Tips

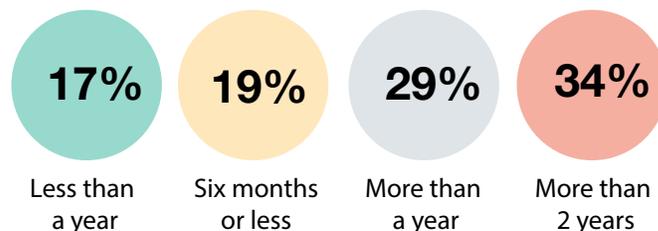
While 34% of the respondents have been using lead nurturing campaigns for more than two years, the reality is that about the same number (36%) have been developing lead nurturing campaigns for a year or less. They are still exploring the opportunities of this emerging component within their marketing strategies.

"It is not surprising that almost 40% of organizations have been doing lead nurturing for less than a year," said Missy Heilman, Senior Strategy Consultant at BlueBird Strategies. "While most marketers understand the value of lead nurturing, it is

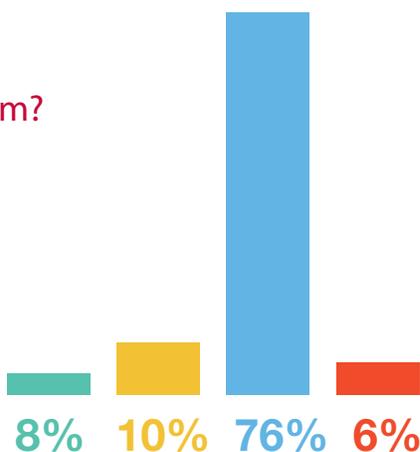
often the component of lead management that takes the longest to implement. The reason being that great care is required to develop effective nurture strategies."

Heilman noted that some B2B marketers try to "boil the ocean" by taking on lead nurturing all at once, while BlueBird Strategies recommends a "crawl, walk, run" approach. "Develop an 'ideal' state for the nurture program and then work in iterations to implement. You can always add content or swap it out."

› How long have you been developing lead nurture campaigns within your organization?



› Which best describes your nurture program?



- Send pre-set messages to our entire database over pre-determined periods of time
- Send all respondents the same series of emails regardless of their behaviors
- Send different series of emails based on the actions/interests of the respondent
- Other

Improved Targeting And Relevancy Among Lead Nurturing Benefits

There are a number of benefits to lead nurturing, but better response rates to campaign offers due to an enhanced ability to target prospects with relevant offers and messaging was the most pronounced. Nearly one quarter (73%) rated this as a strong benefit.

The ability to segment prospects based on behaviors and interests also ranked high, with 61% of respondents citing it as a top benefit. This reinforces the need for more personalized nurture campaigns based on behavior, interests, role, industry and stage of the buying process.

› What have you seen as the biggest benefits of lead nurture programs?

(Respondents chose 4 or 5 out of 5)



61%

Ability to segment prospects based on interests/behaviors

73%

Better response to campaigns/offers due to targeting/relevancy

61%

Generating more warm, sales-ready leads

46%

Higher acceptance of leads from sales

31%

Lower cost for qualified leads

“If the targeting is accurate, meaning that solid work has been done in terms of persona, buying cycle and content strategy, the cost-per-qualified-lead should decrease and the time to close should accelerate,” said April S. Brown Vice President, Demand Generation Services for Televerde. “If this is not happening, any one of these three core areas could be factors and worthy of examination.”

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TIP

“It is important to have a data strategy with partners who can deliver on the targeting work that has been done. Without access to high-quality data that supports a marketer’s target, the pool of available data can look quite small.”

— April S. Brown, Televerde

One benefit that is rarely discussed is post-sale nurturing for the purposes of cross sell/upsell and maintaining a useful and fruitful relationships with clients, Brown noted. "This is particularly true in complex B2B buying environments where the cost of acquiring new customers can be particularly high."

As progressive marketers look to improve sales and marketing alignment, lead nurturing plays a role there as well, with 61% citing it as a priority.

While lead nurturing has provided the ability to target prospects more precisely, the challenge remains in developing messaging that resonates with specific audiences. Nearly two thirds (66%) ranked content development among the top of the challenges they face in developing lead nurturing campaigns. A lack of best practices, building the right timing and workflows for campaigns and a lack of data were also cited as challenges to lead nurturing success.

› What have you seen as the greatest challenges of lead nurture programs?

(Respondents chose 4 or 5 out of 5)



39%

Lack of insights into best practices on lead nurture framework

66%

Developing targeted content by buyer stage/interest

37%

Shortage of data on which leads to nurture

45%

Building the right timing/workflows for campaigns

32%

Lack of support from sales team in following up on nurtured leads

The Lead Nurturing Metrics That Matter Most

When asked about how they measure the success of lead nurturing campaigns, there were three metrics that stood out among the responses:

- Revenue;
- Email click-through rates; and
- Lead volume in the pipeline.

As marketers are increasingly having to demonstrate their contributions to revenues and the pipeline, campaign attribution is becoming a more critical metric to determine the performance of a campaign as well as overall marketing activities.

› What metrics do you use to measure lead nurturing success?

Implementing nurtures is a positive first step, but understanding the impact of your nurture programs is even more critical.

“The fact that 35% of organizations do not know whether nurture campaigns perform better than non-nurtures indicate that they are either not analyzing the programs or don’t know what to analyze,” Heilman said.

Lead Nurturing Pro

TIP

“Traditional metrics such as click-through rates give some insight into programs, but more importantly organizations should measure the funnel impact of the nurture programs.”

—Missy Heilman, BlueBird Strategies

70%



Email click-through rates



68%

Lead volume in sales pipeline



60%

Revenue



28%

Cost per lead



13%

Average deal size

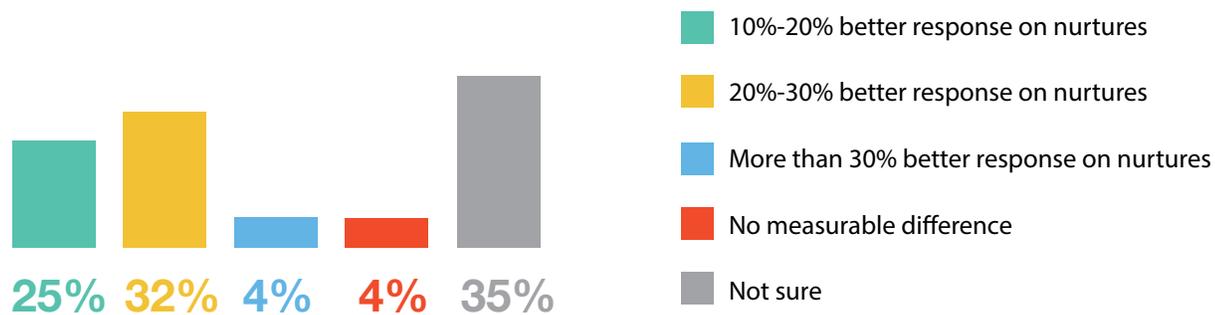
As for the lead nurturing data that marketers should track, Heilman suggested:

- Are your nurtures producing MQLs?
- Are the MQLs developing into opportunities?
- What is the revenue attribution of your nurtures?

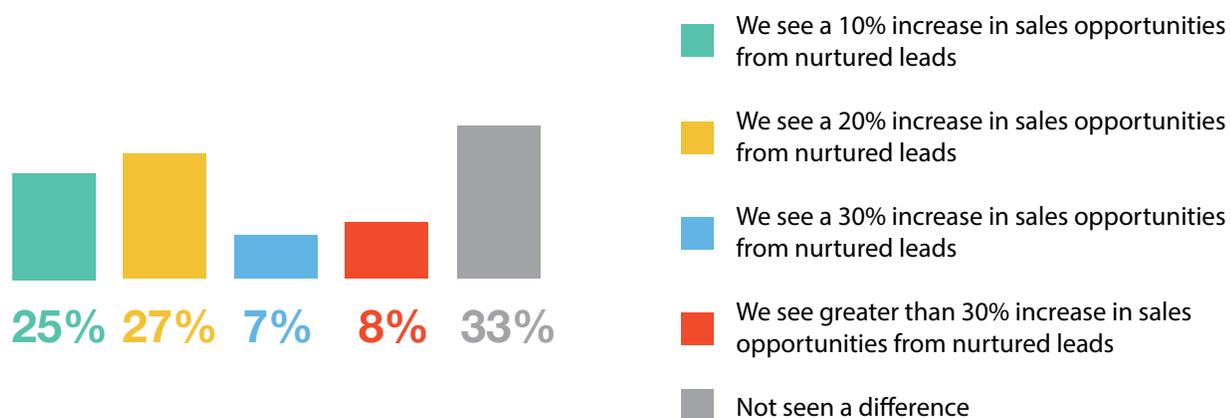
“These types of analytics provide actionable insight to prove the worth of the nurture programs,” Heilman noted.

The fact that one third report no difference between nurtured and non-nurtured leads indicates that organizations are having a hard time measuring the impact on the funnel, Heilman said. “It is vital that marketers understand how to develop a lead management process that provides visibility into this intelligence so they can attribute their efforts to revenue generation.”

› How have your nurture campaigns performed compared to non-nurtures?



› How have nurtured leads performed within your funnel versus non-nurtured leads?



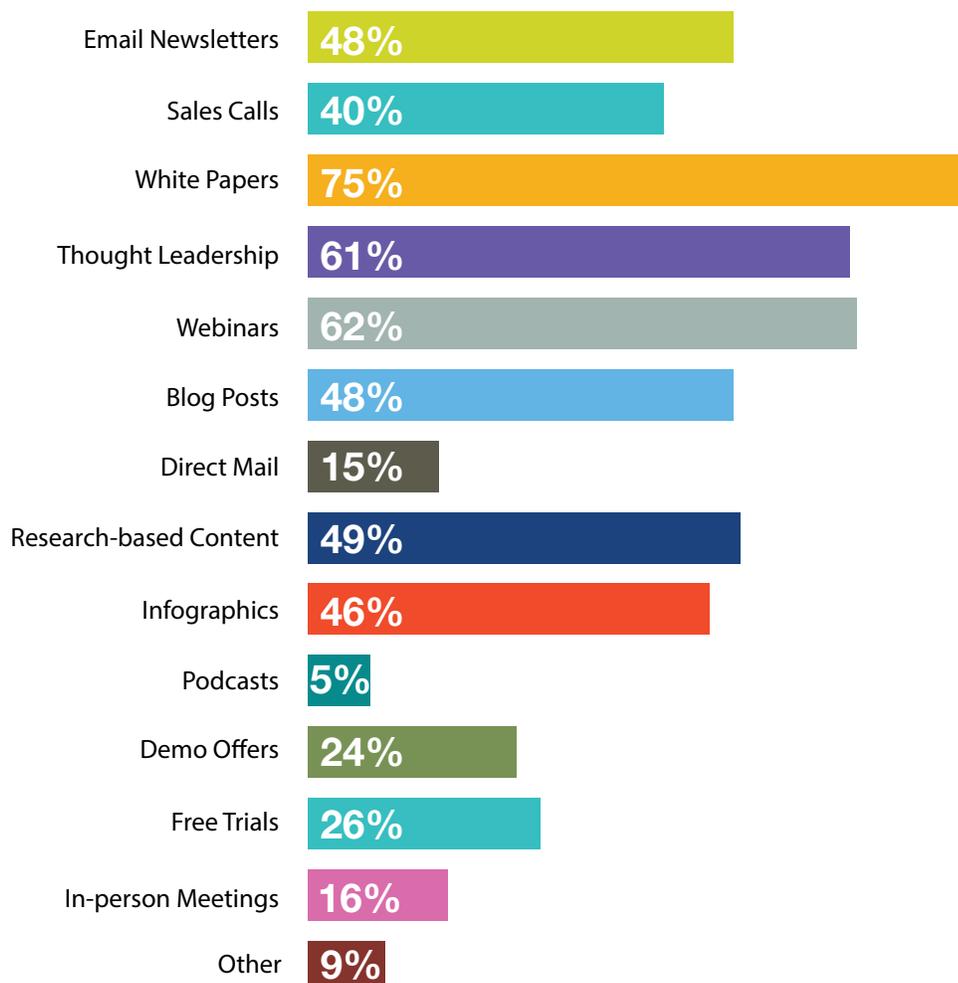
Digital Tactics Driving Lead Nurturing Success

White papers (75%), webinars (62%) and thought leadership articles (61%) were among the primary tactics used as offers within lead nurturing campaigns. This is unsurprising, as those are some of the tried-and-true methods for trying to draw prospects through the funnel.

“What this underscores is the digital nature of most of today’s B2B buyers,” said Carlos Hidalgo, CEO and Principal of ANNUITAS. “All of the top responses are digital.”

In many cases — but not all — the most popular tactics correlated to those that were most successful. One notable exception was research-based content. Only 49% cited it as a primary tactic that they use in their lead nurturing campaigns, but those that use it find it effective, with 52% giving it high marks. While in-depth content requires greater resources to produce, it can pay off in more successful lead nurturing campaigns.

› What are the primary tactics you use as offers within lead nurturing campaigns?



Lead Nurturing Pro

TIP

“Isolating nurture content to a select few channels puts programs at risk. It is not enough to just understand prospects’ content preferences, but how and where they consume it.”

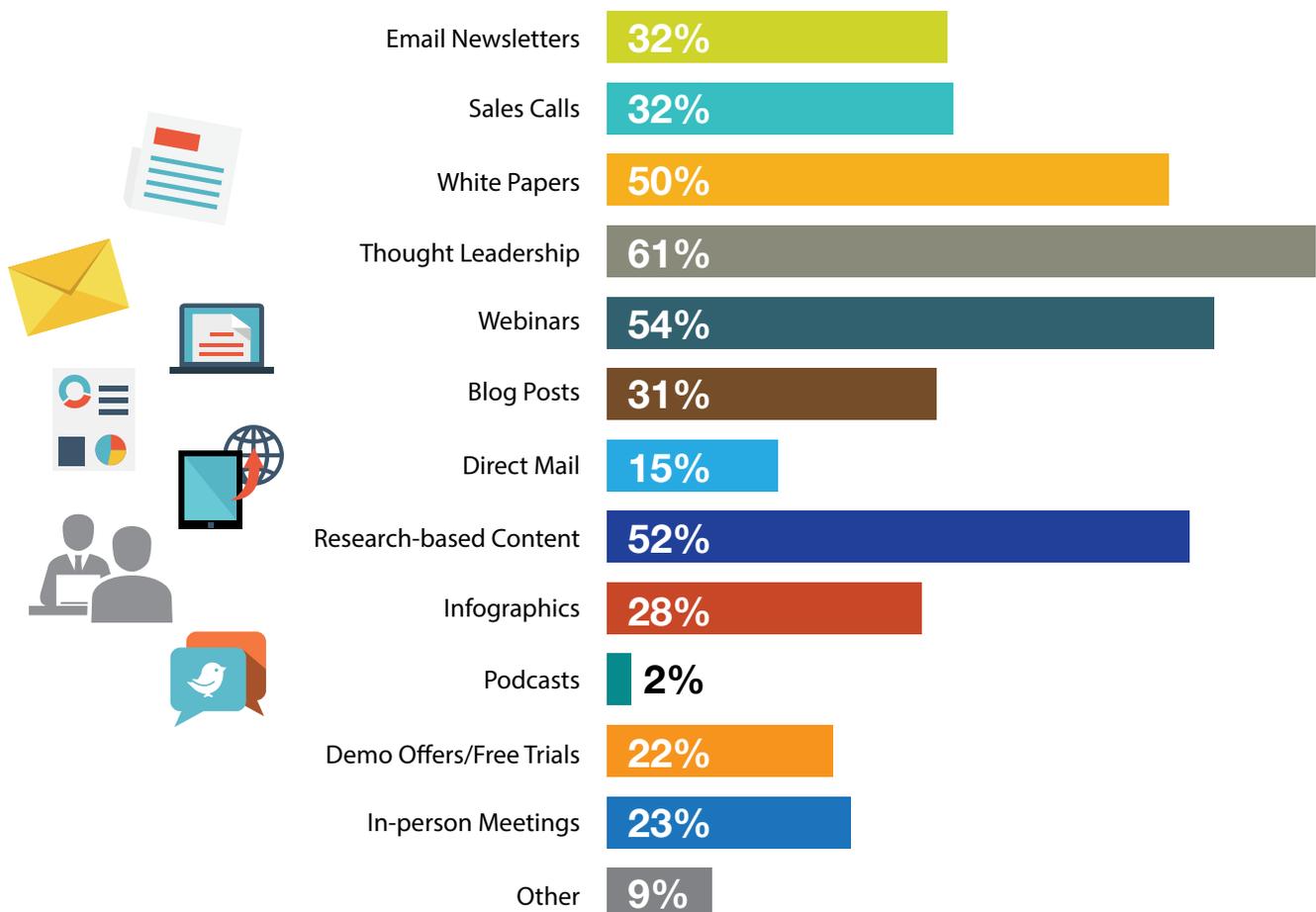
— Carlos Hidalgo, ANNUITAS

Hidalgo noted that marketers have to take a broader view of lead nurturing strategies. “Approaching nurturing from a tactic — email, calling, whitepapers, etc. — does not take into account what happens before and after the nurturing stage: engagement and conversion. Nurturing should always

be a holistic part of a perpetual demand generation program and not viewed tactically based on what activity or asset type should be used.”

› Which tactics have worked best within your nurture?

(Respondents chose 4 or 5 out of 5)



As for the channels used to support lead nurturing campaigns, email is the most widely used at 96%, but telemarketing ranks second at 49%. Retargeting was not far behind at 42%, as more B2B marketers incorporate that approach to engaging prospects and clients.

"A majority (96%) of respondents have used email in their lead nurturing programs, while 49% have used telemarketing."

- 2014 Lead Nurturing Survey

› What channels/tactics have you used to support your lead nurturing programs?



Many Still Lack A Clear Strategy For Returning Leads For Nurturing

For lead nurturing to work effectively requires that sales and marketing agree to specific criteria on when a lead should be returned to marketing for further nurturing. This is critical, as not every lead that doesn't convert on the first try is a candidate for lead nurturing. They may not meet the specifics of what makes an "ideal" prospect, so further efforts to bring them further into the sales funnel are likely to prove fruitless.

Of the survey respondents, 61% had a clearly defined process, while 36% did not, which indicates that there is still work to be done for establishing a lead nurturing framework.

"When it comes to the cradle to grave treatment of leads, there continues to be a significant enterprise gap between sales and marketing business processes and the deployment of the systems like CRM and marketing automation to support those best practice processes," said Jon Russo, Founder & CEO of B2B Fusion Group.

Most (37%) of the respondents keep prospects in the lead nurturing cycle until they become a sales-accepted lead. While 25% take leads out of the nurture path after a set period of time, another 14% take prospects out the lead nurture cycle after three additional outreaches with no further engagement.

Lead Nurturing Pro

TIP

"The right lead nurturing strategy, coupled with the right systems architecture, can close the gap and dramatically improve the odds for revenue conversion."

— Jon Russo, B2B Fusion Group

- › Do you have a defined criteria for returning a lead to marketing for more nurturing?



61%

Yes, sales and marketing are in agreement as to when a lead is returned for nurturing

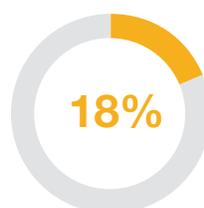
36%

No, there is no clearly defined process

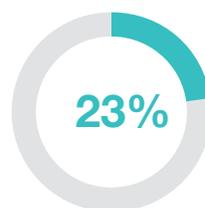
3%

Other

- › What percentage of your leads are returned for additional nurturing?



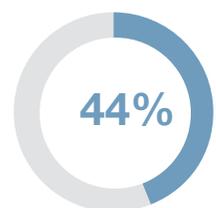
10%-25%



25%-50%



More than 50%



Don't Know

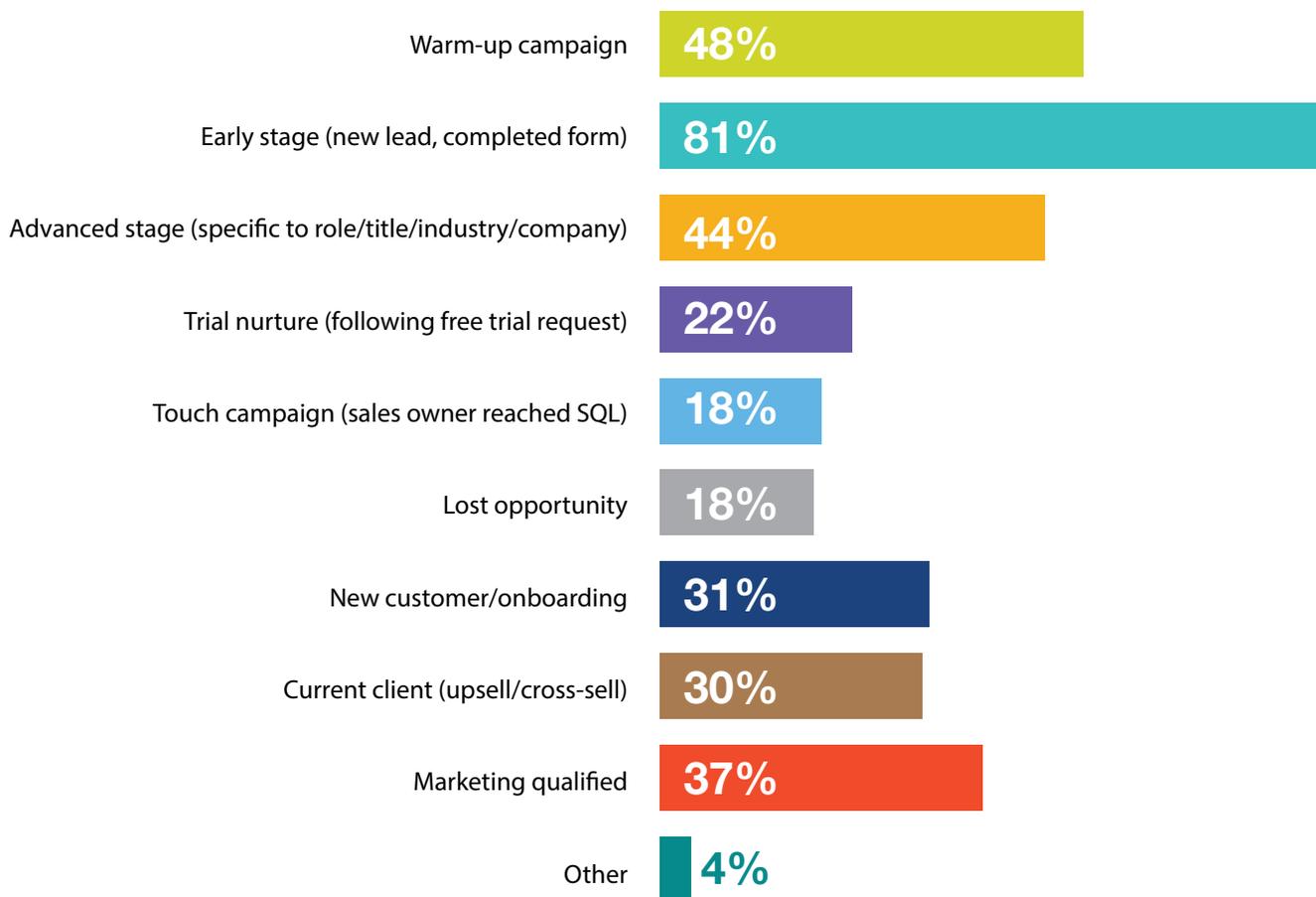
Primary Focus On Early Stage Campaigns

When it comes to types of lead nurturing campaigns, it makes sense that the majority (81%) of respondents have early-stage campaigns aimed at new leads who have completed forms. That's the nature of a lead nurturing campaign.

But B2B markets are branching out beyond the top of the funnel to nurture leads, according to survey results. Nearly half (44%) have implemented advanced-stage nurturing programs that are specific to role, title, industry and company.



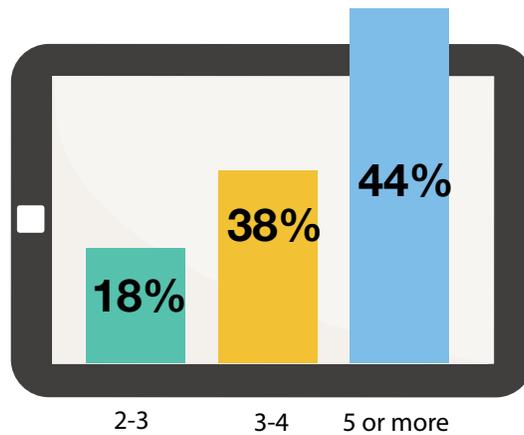
› Which types of lead nurturing campaigns do you currently have?



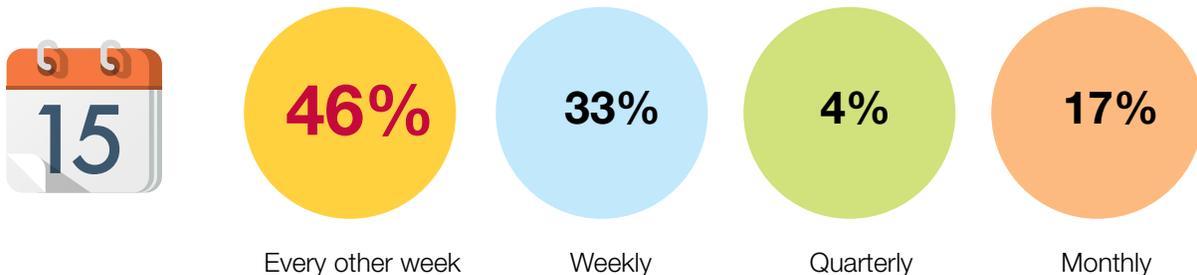
“Regarding campaign types, I’d actually like to see more people doing ‘touch campaigns,’ which I interpret as campaigns to leads that have already been accepted by sales,” said David Raab, Principal, Raab & Associates.

In terms of the number of touches included in a typical nurture campaign, the majority (44%) responded with five or more, with 38% including three to four.

› How many touches do you include in your typical lead nurture program?



› What is the typical cadence in your nurture campaigns?



Every other week was the cadence set by most respondents (46%), while 33% opted for weekly outreach and 17% monthly. Only 4% reached out on a quarterly basis.



“Few salespeople keep in constant contact with all of their current leads, since they really want to focus on the handful who are the closest to closing. So it’s a good idea to have an automated nurture campaign in place to ensure the company doesn’t lose contact altogether.”

— David Raab, Raab Associates

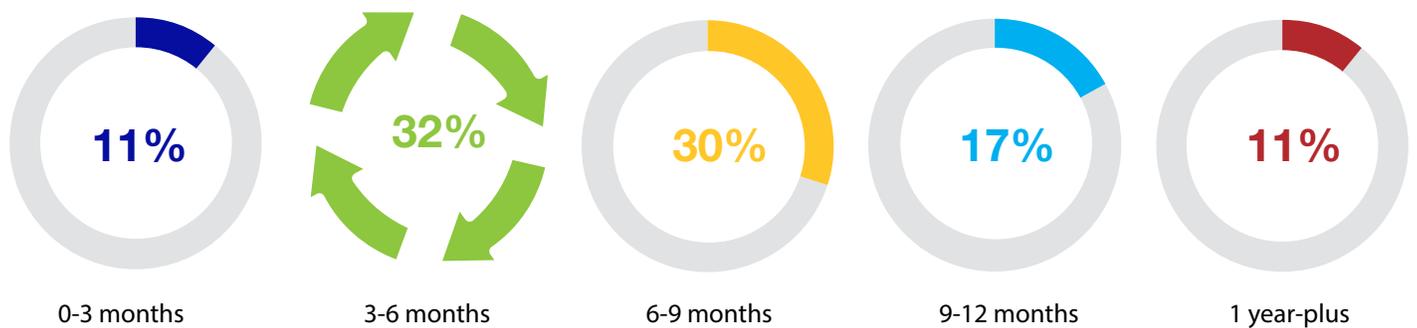
As marketers are being asked to quantify their contribution to the pipeline, many are looking to lead nurturing to achieve those goals. When asked about their future goals and priorities for lead nurturing campaigns, 84% cited increasing the number of opportunities entering the pipeline. More than three quarters (78%) are looking to increase conversion rates and generate more warm, sales ready leads (78%).

Progressive marketers are seeking to make results lead nurturing results more predictive (36%), with one respondent sharing the goal of “creating advanced trigger-based nurture programs with accelerated track options as well as moving toward predictive lead scoring.”

Successful lead nurturing is tough to accomplish, as indicated by the number of respondents — more than one third — who have been doing lead nurturing for less than a year. On the other end of the spectrum, 34% of our respondents have been developing lead nurturing campaigns for more than two years and have been reaping the benefits of improved segmentation of prospects and better responses due to greater relevancy of messages and offers.

Increasing the number of opportunities entering the pipeline and generating more warm leads for sales are among the priorities of lead nurturing campaigns going forward.

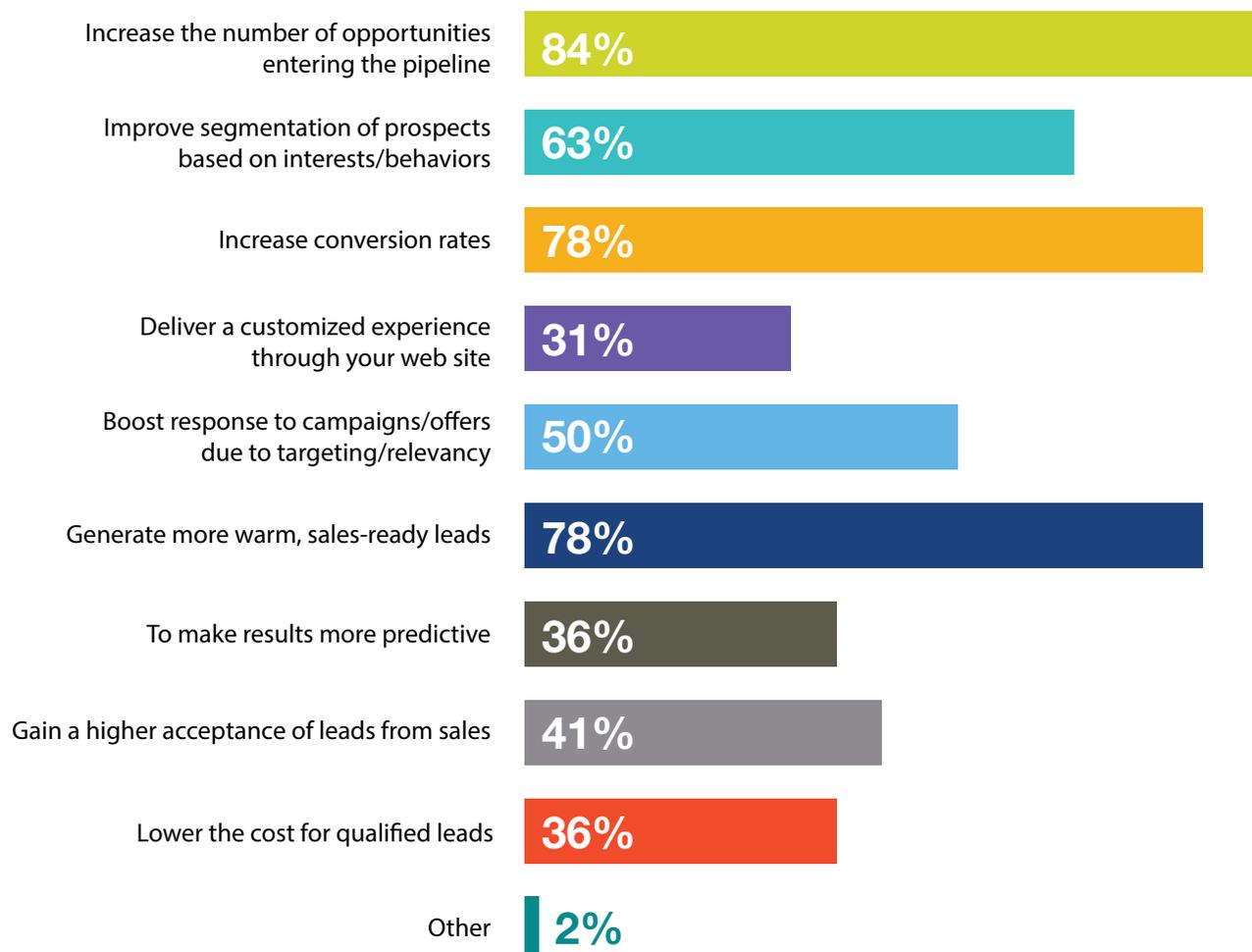
› What is your average sales cycle?



The greatest challenge, as with most marketing activities, is developing enough of the right content that will resonate with prospects.

By building the framework, metrics and alignment among marketing and sales about lead nurturing criteria, progressive B2B companies are making lead nurturing a central component of their overall marketing strategy.

› What are some of the future goals/priorities of your lead nurturing program?



About the Survey

Demand Gen Report's 2014 Lead Benchmarking Study is based on a survey of 239 B2B marketers polled in September 2014. Broken down by industry, 40% came from technology and enterprise IT, followed by professional services, business services, financial services and manufacturing.

In terms of roles, nearly one third (30%) were C-level or VP-level executives.

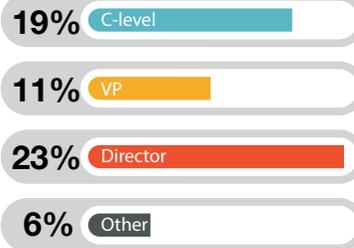
The respondents came from companies of varying size, with half reporting revenues of \$25 million or more.

> Title/role

41%



Manager



> Company size

51%

15%

7%

10%

17%

<\$25 million

\$25-\$50 million

\$50-\$100 million

\$100-\$500 million

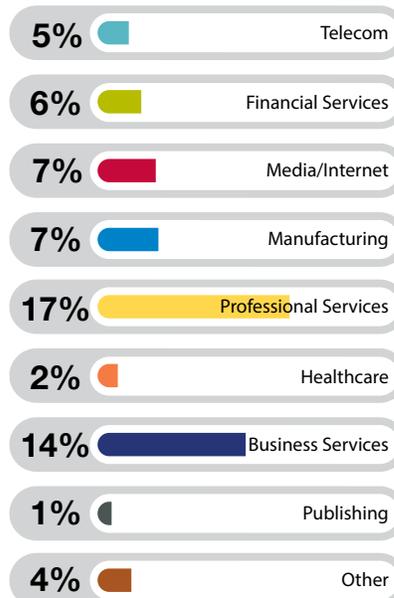
\$500 million

> Industry

40%



Tech/Enterprise IT



About Demand Gen Report

Demand Gen Report is a targeted e-media publication spotlighting the strategies and solutions that help companies better align their sales and marketing organizations, and ultimately drive growth. A key component of the publication's editorial coverage focuses on the sales and marketing automation tools that enable companies to better measure and manage their multichannel demand generation efforts.



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